

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA	)	Criminal No.	5:20-cr- 298 (DNH)
)		
v.	)	Indictment	
)		
JOHN ZOURDOS,	)	Violations:	18 U.S.C. § 371 [Conspiracy
HELEN ZOURDOS, and	)		to Defraud the IRS]
DIMITRIOS ZOURDOS,	)		26 U.S.C. § 7201 [Tax
	)		Evasion]
Defendants.	)		26 U.S.C. § 7206(2) [Aiding
	)		and Assisting in the
	)		Preparation of False Returns]
	)	County of Offense:	Oneida

THE GRAND JURY CHARGES:

COUNT 1
[Conspiracy to Defraud the United States]

INTRODUCTION

At all times relevant to this Indictment, unless otherwise stated:

1. The defendants, **JOHN ZOURDOS**, **HELEN ZOURDOS**, and **DIMITRIOS ZOURDOS**, resided in Rome, New York, within the Northern District of New York.
2. Defendants **JOHN ZOURDOS** and **HELEN ZOURDOS** were husband and wife. Defendant **DIMITRIOS ZOURDOS** was their adult child.
3. Defendants **JOHN ZOURDOS** and **HELEN ZOURDOS** owned and operated a chain of three donut and coffee stores in and around Rome, New York, each doing business as Dippin Donuts (collectively, “Dippin Donuts” or “the stores”). Each store accepted payment in the form of cash and credit card. Each store had its own business bank account designated for, among other things, the depositing of credit card and cash receipts (hereinafter “designated business

accounts”). The stores were separately incorporated, under the laws of the State of New York, as follows:

A. HZ Dippin, Inc. (“HZ DIPPIN” a/k/a “Erie Boulevard”) was incorporated on or about November 25, 2003, with its place of business as 1169 Erie Boulevard West, Rome, New York, 13440;

B. RDZ Dippin, Inc. (“RDZ DIPPIN” a/k/a “Black River”) was incorporated on or about April 10, 2007, with its place of business as 1931 Black River Boulevard North, Rome, New York, 13440; and

C. ERD Empire, Inc. (“ERD EMPIRE” a/k/a “New Hartford”) was incorporated on or about December 21, 2009, with its place of business as 8483 Seneca Turnpike, New Hartford, New York 13413.

4. Defendant **HELEN ZOURDOS** was the sole officer of HZ DIPPIN and RDZ DIPPIN and was the sole officer of ERD EMPIRE until in or about 2016, when Defendants **JOHN ZOURDOS** and **HELEN ZOURDOS** became joint officers of ERD EMPIRE.

5. Defendant **DIMITRIOS ZOURDOS** actively participated in the management and operation of the Dippin Donuts stores. His responsibilities included but were not limited to supervising employees, paying employees, counting cash register drawers, depositing cash business receipts, and helping maintain the books and records.

6. The Internal Revenue Service (“IRS”) was an agency of the United States Department of the Treasury responsible for enforcing and administering the tax laws of the United States and collecting taxes owed to the United States.

7. To accurately assess and collect taxes, the IRS must, among other things, determine taxpayers’ actual income, credits, and deductions. To accomplish its mission, the IRS uses, among

other means, tax returns filed pursuant to the tax laws of the United States, as set forth in Title 26 of the United States Code, including the following:

A. Individuals: In general, individual taxpayers are required to report their income, any allowable deductions, and taxes due and owing on U.S. Individual Income Tax Returns, Forms 1040 (“Forms 1040” or “individual tax returns”), and related IRS Schedules and Forms attached thereto.

B. Corporations: In general, C corporations are required to report their gross receipts, any allowable deductions, credits, and taxes due and owing on U.S. Corporation Income Tax Returns, Forms 1120 (“Forms 1120” or “corporate tax returns”). A C corporation is taxed separately from its individual shareholders.

C. Employers: Employers must withhold, account for, and pay over to the IRS certain taxes imposed on their employees, including income taxes, Social Security taxes, and Medicare taxes, and must further account for and pay over to the IRS their own share of such taxes based upon the total wages they pay their employees (“payroll taxes”). Employers are required to report total wages, taxes withheld, and payroll taxes due and owing on, among other forms, Employer’s Quarterly Federal Tax Returns, Forms 941 (“Forms 941” or “employment tax returns”).

8. Defendants **JOHN ZOURDOS** and **HELEN ZOURDOS** filed their individual tax returns jointly as husband and wife. Defendant **DIMITRIOS ZOURDOS** filed his individual tax returns as a single filer.

9. HZ DIPPIN, RDZ DIPPIN, and ERD EMPIRE each filed its own corporate tax returns.

10. HZ DIPPIN and RDZ DIPPIN each filed its own employment tax returns.

11. Defendants **JOHN ZOURDOS, HELEN ZOURDOS, and DIMITRIOS ZOURDOS** used a tax return preparer based in Utica, New York, (hereinafter, “the tax return preparer”) to prepare and file their respective individual tax returns and to prepare and file the respective corporate tax returns of HZ DIPPIN, RDZ DIPPIN, and ERD EMPIRE.

THE CONSPIRACY

12. From at least in or about 2013 through at least in or about 2017, in Oneida County, within the Northern District of New York, and elsewhere, the defendants,

**JOHN ZOURDOS,
HELEN ZOURDOS, and
DIMITRIOS ZOURDOS,**

(collectively, “defendants”) did unlawfully, voluntarily, intentionally, and knowingly conspire, combine, confederate, and agree together and with each other to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful Governmental functions of the Internal Revenue Service (“IRS”) of the Department of the Treasury in the ascertainment, computation, assessment, and collection of individual income tax, corporate income tax, and payroll tax.

OBJECT OF THE CONSPIRACY

13. The object of the conspiracy was, among others, to defraud the IRS.

MANNER AND MEANS OF THE CONSPIRACY

14. It was part of the conspiracy that the defendants used the following manners and means, among others:

Income Tax Fraud

A. Defendants **JOHN ZOURDOS, HELEN ZOURDOS, and DIMITRIOS ZOURDOS** diverted more than one million dollars in unreported cash receipts from Dippin

Donuts, depositing the diverted cash into their personal bank accounts, instead of designated business accounts, and paying personal expenses directly with diverted, undeposited cash receipts.

B. Defendants **JOHN ZOURDOS, HELEN ZOURDOS, and DIMITRIOS ZOURDOS** maintained a set of books and records reflecting the true sales of Dippin Donuts but did not provide and explain those records to their tax return preparer. Defendants **JOHN ZOURDOS** and **HELEN ZOURDOS** provided the tax return preparer with the bank statements for the designated business accounts but not the bank statements for their personal bank accounts.

C. Defendants **JOHN ZOURDOS, HELEN ZOURDOS, and DIMITRIOS ZOURDOS** caused false and fraudulent corporate tax returns for the Dippin Donuts stores to be submitted to the IRS. The returns were false and fraudulent in that the returns failed to report the diverted, unreported cash receipts.

D. Defendants **JOHN ZOURDOS, HELEN ZOURDOS, and DIMITRIOS ZOURDOS** caused false and fraudulent individual tax returns in their names to be submitted to the IRS. The returns were false and fraudulent in that the returns failed to report the diverted, unreported cash income.

Payroll Tax Fraud

E. Defendants **JOHN ZOURDOS, HELEN ZOURDOS, and DIMITRIOS ZOURDOS**, paid Dippin Donuts employees some of their wages “off the books” in cash in order to conceal from the IRS the full amount of wages paid to Dippin Donuts employees, thereby avoiding the payment of payroll taxes on the full amount of wages paid to Dippin Donuts employees.

F. Defendants **JOHN ZOURDOS, HELEN ZOURDOS, and DIMITRIOS ZOURDOS** caused to be prepared and filed with the IRS false and fraudulent employment tax

returns on Forms 941. The employment tax returns were false and fraudulent in that they failed to report the full amount of wages paid to Dippin Donuts employees.

OVERT ACTS

15. In furtherance of the conspiracy and to effect the object of the conspiracy, the following overt acts, among others, were committed in the Northern District of New York and elsewhere:

Diversion of Unreported Cash Receipts

A. On or about the following dates, Defendant **HELEN ZOURDOS** caused to be deposited into her personal accounts the following amounts, among others, in diverted and unreported cash receipts from the Dippin Donuts stores:

Overt Act	Approximate Date Deposited	Approximate Amount Deposited	Bank Account
15(A)(1)	10/18/2013	\$8,980	Berkshire Bank account ending in 3213
15(A)(2)	4/16/2014	\$1,300	Berkshire Bank account ending in 1468
15(A)(3)	6/22/2015	\$1,751	Berkshire Bank account ending in 3213
15(A)(4)	12/19/2016	\$1,048	Berkshire Bank account ending in 3213

B. On or about the following dates, Defendant **JOHN ZOURDOS** caused to be deposited into his personal accounts the following amounts, among others, in diverted and unreported cash receipts from the Dippin Donuts stores:

Overt Act	Approximate Date Deposited	Approximate Amount Deposited	Bank Account
15(B)(1)	10/28/2013	\$2,071	Berkshire Bank account ending in 3127
15(B)(2)	8/25/2014	\$1,758	Berkshire Bank account ending in 3127
15(B)(3)	7/13/2015	\$1,700	Berkshire Bank account ending in 3127
15(B)(4)	9/6/2016	\$2,500	Berkshire Bank account ending in 3127

C. On or about the following dates, Defendants **JOHN ZOURDOS** and **HELEN ZOURDOS** caused to be deposited into their personal accounts the following amounts, among others, in diverted and unreported cash receipts from the Dippin Donuts stores:

Overt Act	Approximate Date Deposited	Approximate Amount Deposited	Bank Account
15(C)(1)	8/15/2013	\$10,000	NBT Bank account ending in 4869
15(C)(2)	7/21/2014	\$8,900	NBT Bank account ending in 4869
15(C)(3)	9/21/2015	\$5,100	NBT Bank account ending in 4869
15(C)(4)	8/8/2016	\$6,000	NBT Bank account ending in 4869

D. On or about the following dates, Defendant **DIMITRIOS ZOURDOS** caused to be deposited into his personal accounts the following amounts, among others, in diverted and unreported cash receipts from the Dippin Donuts stores:

Overt Act	Approximate Date Deposited	Approximate Amount Deposited	Bank Account
15(D)(1)	8/5/2013	\$2,580	Berkshire Bank account ending in 3650
15(D)(2)	1/16/2014	\$3,100	Berkshire Bank account ending in 3650
15(D)(3)	8/26/2015	\$3,610	Berkshire Bank account ending in 3650
15(D)(4)	10/18/2016	\$3,100	Berkshire Bank account ending in 3650

E. On or about June 30, 2014, Defendant **JOHN ZOURDOS** paid and caused to be paid a total of approximately \$21,000 in diverted, undeposited cash receipts from the Dippin Donuts stores on the purchase of a 2001 Porsche 911.

F. On or about September 30, 2016, Defendant **JOHN ZOURDOS** paid and caused to be paid a total of approximately \$18,884 in diverted, undeposited cash receipts from the Dippin Donuts stores on the purchase of a Rolex watch.

G. From on or about October 13, 2016 until on or about April 6, 2018 Defendant **DIMITRIOS ZOURDOS** paid and caused to be paid a total of approximately \$30,500 in diverted,

undeposited cash receipts from the Dippin Donuts stores toward the restoration of a 1963 Ford Galaxie.

Filing of False and Fraudulent Tax Returns That Did Not Report Diverted Cash Receipts

H. On or about the following dates, Defendants **JOHN ZOURDOS** and **HELEN ZOURDOS** filed and caused to be filed the following Forms 1120 for the following corporations falsely underreporting total income for the following tax years, as the returns did not report the diverted cash receipts:

Overt Act	Tax Year	Approximate Date Filed	Corporation	Form 1120, Line 11 – Reported Total Income
15(G)(1)	2013	2/21/2014	HZ DIPPIN	\$496,258.00
15(G)(2)	2014	2/18/2015	HZ DIPPIN	\$549,483.00
15(G)(3)	2015	3/07/2016	HZ DIPPIN	\$575,368.00
15(G)(4)	2016	5/17/2017	HZ DIPPIN	\$645,187.00
15(G)(5)	4/1/2013 to 3/31/2014	6/10/2014	RDZ DIPPIN	\$399,627.00
15(G)(6)	4/1/2014 to 3/31/2015	6/25/2015	RDZ DIPPIN	\$425,655.00
15(G)(7)	4/1/2015 to 3/31/2016	6/22/2016	RDZ DIPPIN	\$453,312.00

I. On or about the following dates, Defendants **JOHN ZOURDOS** and **HELEN ZOURDOS** filed and caused to be filed joint individual tax returns for the following years falsely underreporting their total income, as the returns did not report the diverted, unreported income shown below:

Overt Act	Tax Year	Approximate Date Filed	Form 1040, Line 22 – Total Income Reported	Approximate Amount of Unreported Income
15(H)(1)	2013	04-15-2014	\$46,377.00	\$371,430.00
15(H)(2)	2014	10-13-2015	\$91,994.00	\$333,129.00
15(H)(3)	2015	10-17-2016	(\$33,774.00)	\$230,531.00
15(H)(4)	2016	04-14-2017	\$58,407.00	\$230,469.00

J. On or about the following dates, Defendant **DIMITRIOS ZOURDOS** filed and caused to be filed individual tax returns for the following years falsely underreporting his total income, as the returns did not report the diverted, unreported income shown below:

Overt Act	Tax Year	Approximate Date Filed	Form 1040, Line 22 – Total Income Reported	Approximate Amount of Unreported Income
15(I)(1)	2013	2/17/2014	\$12,954.00	\$41,924.76
15(I)(2)	2014	4/10/2015	\$55,049.00	\$39,023.62
15(I)(3)	2015	4/13/2016	\$25,838.00	\$72,723.34
15(I)(4)	2016	4/6/2017	\$24,010.00	\$57,066.87

All in violation of Title 18, United States Code, Section 371.

COUNTS 2-5

[Tax Evasion – Individual Income Tax of John and Helen Zourdos]

16. Paragraphs 1 through 8 and 14(A) through 14(F) of this indictment are realleged and incorporated herein as if set out in full.

17. From on or about the following dates until at least on or about the following dates, in Oneida County, within the Northern District of New York, and elsewhere, the defendants,

**JOHN ZOURDOS,
HELEN ZOURDOS, and
DIMITRIOS ZOURDOS**

willfully attempted to evade and defeat the assessment of substantial individual income tax due and owing by **JOHN ZOURDOS** and **HELEN ZOURDOS** to the United States of America, for the following calendar years:

Count	Approximate Period of Evasion	Calendar Year of Assessment Evaded
2	January 2013 to April 2014	2013
3	January 2014 to October 2015	2014
4	January 2015 to October 2016	2015
5	January 2016 to April 2017	2016

18. The defendants willfully attempted to evade and defeat the assessment of the tax due and owing for the above calendar years by committing the following affirmative acts, among others:

A. Preparing and causing to be prepared, and filing and causing to be filed, false and fraudulent individual tax returns in the names of Defendants **JOHN ZOURDOS** and **HELEN ZOURDOS** concealing the cash receipts diverted from Dippin Donuts;

B. Preparing and causing to be prepared, and filing and causing to be filed, false and fraudulent corporate tax returns that did not report the cash receipts diverted from Dippin Donuts;

C. Depositing and causing to be deposited unreported cash receipts from Dippin Donuts into personal accounts instead of designated business accounts; and

D. Providing and causing to be provided false, misleading, and incomplete information to the tax return preparer for the preparation of individual and corporate income tax returns.

All in violation of Title 26, United States Code, Section 7201, and Title 18, United States Code, Section 2.

COUNTS 6-8

[Tax Evasion – Individual Income Tax of Dimitrios Zourdos]

19. Paragraphs 1 through 8 and 14(A) through 14(F) of this indictment are realleged and incorporated herein as if set out in full.

20. From on or about the following dates until on or about the following dates, in Oneida County, within the Northern District of New York, and elsewhere, the defendants,

**JOHN ZOURDOS,
HELEN ZOURDOS, and
DIMITRIOS ZOURDOS**

willfully attempted to evade and defeat the assessment of substantial individual income tax due and owing by **DIMITRIOS ZOURDOS** to the United States of America, for the following calendar years:

Count	Approximate Period of Evasion	Calendar Year of Assessment Evaded
6	January 2014 to April 2015	2014
7	January 2015 to April 2016	2015
8	January 2016 to April 2017	2016

21. The defendants willfully attempted to evade and defeat the assessment of the tax due and owing for the above calendar years by committing the following affirmative acts, among others:

A. Preparing and causing to be prepared, and filing and causing to be filed, false and fraudulent individual tax returns in the name of Defendant **DIMITRIOS ZOURDOS** concealing the cash receipts diverted from Dippin Donuts;

B. Preparing and causing to be prepared, and filing and causing to be filed, false and fraudulent corporate tax returns concealing the cash receipts diverted from Dippin Donuts;

C. Depositing and causing to be deposited unreported cash receipts from Dippin Donuts into personal accounts instead of designated business accounts; and

D. Providing and causing to be provided false, misleading, and incomplete information to the tax return preparer.

All in violation of Title 26, United States Code, Section 7201, and Title 18, United States Code, Section 2.

COUNTS 9-15

[Aiding and Assisting in the Preparation of False Corporate Tax Returns]

22. Paragraphs 1 through 8 and 14(A) through 14(F) of this indictment are realleged and incorporated herein as if set out in full.

23. On or about the following dates, in Oneida County, within the Northern District of New York, and elsewhere, the defendants,

**JOHN ZOURDOS,
HELEN ZOURDOS, and
DIMITRIOS ZOURDOS**

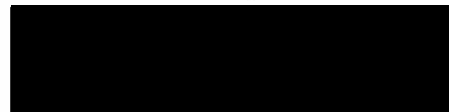
willfully aided and assisted in, and procured, counseled, and advised the preparation and presentation to the Internal Revenue Service, of U.S. Corporation Income Tax Returns, Forms 1120, for the following entities for the following years. The returns were false and fraudulent as to material matters, in that the returns reported gross receipts and sales (Line 1a, Form 1120) as follows and did not report any additional receipts, where, as the defendants well knew, the entities had additional receipts in excess of the amounts reported:

Count	Taxpayer	Tax Year	Form 1120, Line 1a – Gross Receipts or Sales
9	HZ DIPPIN	2013	\$610,896
10	HZ DIPPIN	2014	\$648,596
11	HZ DIPPIN	2015	\$743,452
12	HZ DIPPIN	2016	\$751,481
13	RDZ DIPPIN	4/1/2013 to 3/31/2014	\$671,417
14	RDZ DIPPIN	4/1/2014 to 3/31/2015	\$704,108
15	RDZ DIPPIN	4/1/2015 to 3/31/2016	\$763,890

All in violation of Title 26, United States Code, Section 7206(2).

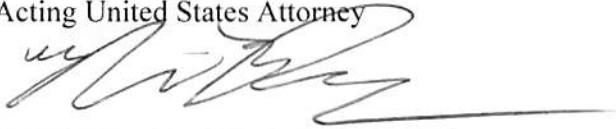
Dated: 10/7/2020

A TRUE BILL,

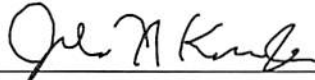


Grand Jury Foreperson

ANTOINETTE T. BACON
Acting United States Attorney

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MICHAEL F. PERRY
Assistant United States Attorney
Bar Roll No. 518952

A handwritten signature in black ink, appearing to read 'John N. Kane', written over a horizontal line.

JOHN N. KANE
Assistant Chief
U.S. Department of Justice
Tax Division, Northern Criminal Enforcement Section
Bar Roll No. 515130